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DEPARTMENT OF COMMERCE

International Trade Administration

[A-535-905]

Polyethylene Terephthalate Resin from Pakistan: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that imports of polyethylene terephthalate (PET) resin from Pakistan are being sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Mark Hoadley or Lauren Caserta, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3148 or (202) 482-4737, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 4, 2018, Commerce published in the *Federal Register* the preliminary determination of sales at LTFV in the antidumping duty (AD) investigation of PET resin from

Pakistan.¹ Commerce invited comments from interested parties on the *Preliminary Determination*.² The petitioners³ and Novatex Limited (Novatex) filed case and rebuttal briefs.⁴ A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by interested parties for this final determination, may be found in the Issues and Decision Memorandum.⁵ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and it is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The product covered by this investigation is polyethylene terephthalate (PET) resin from Pakistan. Commerce did not receive any scope comments subsequent to the *Preliminary*

¹ See *Polyethylene Terephthalate Resin from Pakistan: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 FR 19689 (May 4, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Antidumping Duty Investigation of Polyethylene Terephthalate Resin from Pakistan: Schedule for Submission of Case and Rebuttal Briefs," dated June 14, 2018 (Case Brief Schedule); see also Memorandum, "Antidumping Duty Investigation of Polyethylene Terephthalate Resin from Pakistan: Revised Schedule for Submission of Case and Rebuttal Briefs," dated June 19, 2018 (Revised Case Brief Schedule).

³ DAK Americas, LLC Indorama Ventures USA, Ind., M&G Polymers USA, LLC, and Nan Ya Plastics Corporation, America (collectively, the petitioners).

⁴ See Petitioners' Case Brief, "Polyethylene Terephthalate Resin from Pakistan: Petitioners' Case Brief for Novatex Limited," dated June 22, 2018 (Petitioners' Case Brief), and Novatex's Case Brief, "Polyethylene Terephthalate Resin from Pakistan: Novatex's Case Brief," dated June 25, 2018 (Novatex's Case Brief); see also Petitioners' Rebuttal Brief, "Polyethylene Terephthalate Resin from Pakistan: Petitioners' Rebuttal Brief for Novatex," dated July 6, 2018 (Petitioners' Rebuttal Brief) and Novatex's Rebuttal Brief, "Polyethylene Terephthalate Resin from Pakistan: Novatex's Rebuttal Brief," dated July 6, 2018 (Novatex's Rebuttal Brief).

⁵ See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Antidumping Duty Investigation of Polyethylene Terephthalate Resin from Pakistan," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum (IDM)).

Determination and, therefore, the scope has not been updated since the *Preliminary Determination*. See the scope in Appendix I to this notice.

Period of Investigation

The POI is July 1, 2016, through June 30, 2017.

Verification

As provided in section 782(i) of the Act, we conducted the sales verification in Washington, DC, between May 7, 2018, and May 11, 2018.⁶ We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the respondents. Commerce determined that the cost databases provided by Novatex were unusable and cancelled the cost verification associated with this investigation on June 13, 2018.⁷

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. A list of the issues raised is attached to this notice as Appendix II.

Use of Facts Available and Adverse Facts Available

For purposes of this final determination, Commerce relied on facts available with adverse inferences when calculating the margin for Novatex Limited pursuant to sections 776(a)(1), 776(a)(2)(B)-(C) and 776(b) of the Act. For further information, see the Issues and Decision Memorandum.

⁶ In accordance with the timely travel advisory issued by the US Department of State discouraging travel within Pakistan, and following consultations with US Embassy personnel in Islamabad, Commerce determined that Novatex's sales verification would be held at an alternate location in Washington, DC. This determination was made after receiving confirmation from the respondent that necessary company personnel would be in attendance, sufficient physical documentation would be shipped to the alternate site, and that Commerce would be provided with adequate remote access to Novatex's electronic systems.

⁷ See Commerce's Letter, "Cancellation of Cost Verification in the Antidumping Duty Investigation of Polyethylene Terephthalate (PET) Resin from Pakistan," dated June 13, 2018 (Cost Verification Cancellation Letter).

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

Sections 735(c)(1)(B)(i)(II) and 735(c)(5)(A) of the Act provide that Commerce shall determine an estimated all-others rate for all exporters and producers not individually examined. This rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act. However, when the estimated weighted-average dumping margins for all exporters and producers individually investigated are zero or *de minimis*, or determined entirely under section 776 of the Act, Commerce shall use any reasonable method to establish the all-others rate, including averaging the estimated weighted-average dumping margins for the exporters and producers individually investigated.

In this investigation, Commerce based Novatex's rate entirely on facts otherwise available. Accordingly, we will use any reasonable method to establish the estimated all-others rate. Commerce's practice, in such situations, is to base the all-others rate on an average of the petition rates.⁸ We followed that practice here.

⁸ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 21909, 21912 (April 23, 2008), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 38986, 38987 (July 8, 2008), and accompanying Issues and Decision Memorandum at Comment 2; *see also Notice of Final Determination of Sales at Less Than Fair Value: Raw Flexible Magnets from Taiwan*, 73 FR 39673, 39674 (July 10, 2008); *Steel Threaded Rod from Thailand: Preliminary Determination of Sales at Less Than Fair Value and Affirmative Preliminary Determination of Critical Circumstances*, 78 FR 79670, 79671 (December 31, 2013), unchanged in *Steel Threaded Rod from Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 79 FR 14476, 14477 (March 14, 2014), 82 FR 47697, 47698.

Final Determination Margins

Commerce determines that the following estimated weighted-average dumping margins exist:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
Novatex Limited ⁹	59.92
All-Others	43.81

Disclosure

We will disclose any calculations performed within five days of any public announcement of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of PET resin from Pakistan, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after May 4, 2018, the date of publication of the *Preliminary Determination*.

Furthermore, pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondent listed above will be equal to the respondent-specific estimated weighted-average dumping margin determined in this final determination; (2) if the

⁹ Commerce has determined that Novatex Limited and Gatron Industries Limited are a single entity. See Issues and Decision Memorandum.

exporter is not a respondent identified above but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2)(B) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of PET resin no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

This notice will serve as the only reminder to parties, subject to administrative protective order (APO), of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction or APO materials or conversion to judicial protective order is hereby

requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing this determination and notice in accordance with sections 735(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: September 17, 2018.

Gary Taverman,

Deputy Assistant Secretary

*for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.*

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is polyethylene terephthalate (PET) resin having an intrinsic viscosity of at least 70, but not more than 88, milliliters per gram (0.70 to 0.88 deciliters per gram). The scope includes blends of virgin PET resin and recycled PET resin containing 50 percent or more virgin PET resin content by weight, provided such blends meet the intrinsic viscosity requirements above. The scope includes all PET resin meeting the above specifications regardless of additives introduced in the manufacturing process.

The scope excludes PET-glycol resin, also referred to as PETG. PET-glycol resins are manufactured by replacing a portion of the raw material input monoethylene glycol (MEG) with one of five glycol modifiers: cyclohexanedimethanol (CHDM), diethylene glycol (DEG), neopentyl glycol (NPG), isosorbide, or spiro glycol. Specifically, excluded PET-glycol resins must contain a minimum of 10 percent, by weight, of CHDM, DEG, NPG, isosorbide or spiro glycol, or some combination of these glycol modifiers. Unlike subject PET resin, PET-glycol resins are amorphous resins that are not solid-stated and cannot be crystallized or recycled.

The merchandise subject to this investigation is properly classified under subheadings 3907.61.0000 and 3907.69.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. SUMMARY
- II. BACKGROUND
- III. SCOPE OF THE INVESTIGATION
- IV. CHANGES SINCE THE PRELIMINARY DETERMINATION
- V. USE OF FACTS OTHERWISE AVAILABLE AND ADVERSE INFERENCES
- VI. DISCUSSION OF THE ISSUES
 - Comment 1: Whether Commerce Should Verify Novatex's Reported Costs
 - Comment 2: Whether Commerce Should Apply Adverse Facts Available to Novatex
 - Comment 3: Whether Commerce is Justified in Denying Novatex a Duty Drawback Adjustment in Its Final Determination
- VII. RECOMMENDATION

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